Ensuring Responsible Governance

Organizations pursuing Baldrige recognition must demonstrate how they carry out their governance in eight areas of responsibility. They must answer questions such as:\1.3

- How do you govern your organization and fulfill your societal responsibilities?
- How does your organization review and achieve the following…?
  - Accountability for senior leaders’ actions
  - Accountability for strategic plans
  - Fiscal accountability
  - Transparency in operations
  - Selection of governance board members and disclosure policies for them, as appropriate
  - Independence and effectiveness of internal and external audits
  - Protection of stakeholder and stockholder interests, as appropriate
  - Succession planning for senior leaders
- What are your results for governance accountability?
- What are your key current findings and trends in key measures or indicators of governance and internal and external fiscal accountability, as appropriate?

The table below illustrates how a board might “hardwire” Baldrige criteria into their governance structure and practices.\3

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For more on this resource, visit
<table>
<thead>
<tr>
<th>Governance Concept</th>
<th>How the Board Drives Behavior</th>
<th>Board Committee Driving Compliance</th>
<th>How the Board Ensures Performance</th>
</tr>
</thead>
</table>
| Accountability for senior leaders’ actions | Approval, deployment and review of goals | Board: Finance, Investment and Audit, HR, and Chair:CEO (1:1) discussions | • Multiple Boards of Directors (BOD) reports  
• BOD member questions |
| Accountability for strategic plans | Review of strategic plan and budget, dashboard performance reviews and key indicator reviews | Board: Performance Review Committee, Finance, Investment and Audit, HR | • Board book  
• Board scorecard  
• Multiple measures |
| Fiscal accountability | See above | Finance, Investment and Audit | • Internal and external audits |
| Transparency in operations | Individually signed Code of Conduct (CoC) and Conflict of Interest (COI) form every year | Board | • External audits  
• Community oversight |
| Selection of governance board members and disclosure policies for them | Systematic nominating process with selection criteria | Nominating Committee | • Individually sign Conflict of Interest (COI) forms annually  
• Self-evaluation  
• BOD evaluation |
| Independence and effectiveness of internal and external audits | Audits conducted | Finance, Investment and Audit | • Internal and external audit results |
| Protection of stakeholders and stockholder interests | Various stakeholders on the BOD | Board | • Internal and external audit results |
| Succession planning for senior leaders | Chair: CEO plan  
Succession planning process  
Plans developed for all Senior Managers  
Management development | Chairman  
HR  
Board | • Updating  
• Review each year  
• Promotions from plan |

Sources:
2. Source: John Vinyard, Genitech.